

Health Net Rate Increase Filing for Individual PPO Plans
State Tracking Number: PF - 2010-01969

We have reviewed the company's rate filing for Individual PPO Plans. The company has modified the existing plans in order to comply with the federal Patient Protection and Affordable Care Act (PPACA), as well as changes in California law. Also, with this filing, the company is introducing two new plans. The current filing provides proposed premium rates that apply to the existing modified plans, as well as rates for the new plans.

In order to comply with the California Insurance Code, Section 10140.2(a), the filed premium rates for all plans are unisex.

In addition, the filed rates reflect increases attributable to the company's estimate of the impact of the new federally mandated provisions. To account for all the benefit changes required by Affordable Care Act, the premium rates are being increased, ranging from an average of 1.5% to an average of 7.6% for different plans.

The company's actuary has certified that the anticipated lifetime loss ratio for different plans included in this filing range from 70.1% to 100.9%, which are all above the required minimum 70%, per California Code of Administrative Regulation, Title 10, Section 2222.12.

We have reviewed the assumptions and methods used in the actuarial memorandum and found the assumptions and methods employed to be reasonable.

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